GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:506
ANSWERED ON:27.04.2016
Private Sector Participation in Smart City Mission
Chandumajra Shri Prem Singh

Will the Minister of URBAN DEVELOPMENT be pleased to state:

Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) whether the Government has included or proposes to include private sector in the development of cities under Smart City Mission;

(b) if so, the details thereof and the works assigned or proposed to be assigned to private sector under the Mission;

(c) whether the Government also proposes to carry out institutional reforms for partnership with the private sector ; and

(d) if so, the details of institutional reforms to be carried out and the details of funds likely to be incurred in this regard?

Answer

THE MINISTER OF URBAN DEVELOPMENT
(SHRI M. VENKAIAH NAIDU)

(a)& (b): The implementation of the Smart Cities Mission is done by a Special Purpose Vehicle (SPV) to be set up at city level in the form of a limited company under the Companies Act, 2013 and will be promoted by the State/UT and the Urban Local Body (ULB) jointly both having 50:50 equity shareholding. Private Sector will also be eligible to participate in the equity shareholding of SPV's subject to maintaining majority shareholding with ULB and State. The SPVs will have the flexibility to establish joint ventures and subsidiaries and enter into public-private partnership (PPP) as may be required for the implementation of the Smart Cities programme.

(c)&(d): The partnership model with the private sector has to be decided by the SPV and the State High Powered Steering Committee (HPSC) according to Laws and Rules, such as the Company Law, etc.

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